



**Champion Breweries Plc**  
RC: 13388

# Unaudited Condensed Interim Financial Statements

As at 30<sup>th</sup> September, 2021

<b>Contents</b>	<b>Page</b>
Condensed interim income statement for three months ended 30 <sup>th</sup> September	2
Condensed interim statement of other comprehensive income for the three month Period ended 30 <sup>th</sup> September	3
Condensed interim income statement for nine months ended 30 <sup>th</sup> September	4
Condensed interim statement of other comprehensive income for the nine month Period ended 30 <sup>th</sup> September	5
Condensed interim statement of financial position	6
Condensed interim statement of changes in equity	7
Condensed interim statement of cash flows	8
Notes to the condensed interim financial statements	9-12

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**CONDENSED INTERIM STATEMENT OF  
OTHER COMPREHENSIVE INCOME**

For the three months period ended 30th September 2021

	2021 N'000	2020 N'000
<b>Profit/(Loss) for the period</b>	<b>190,105</b>	<b>(60,434)</b>
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	<b>190,105</b>	<b>(60,434)</b>

**CONDENSED INTERIM INCOME STATEMENT**For the nine-months period ended 30<sup>th</sup> September

	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
Revenue	7,082,312	4,893,742
Cost of Sales	(4,350,567)	(3,316,827)
	<hr/>	<hr/>
<b>Gross Profit</b>	<b>2,731,745</b>	<b>1,576,915</b>
Other Income	76,042	56,385
Selling and Distribution Expenses	(1,117,614)	(1,100,040)
Administrative Expenses	(782,820)	(448,277)
	<hr/>	<hr/>
<b>Results from operating activities</b>	<b>907,353</b>	<b>84,983</b>
	<hr/>	<hr/>
<b>Net Finance costs</b>	<b>274</b>	<b>-</b>
Profit before tax	907,627	84,983
Income tax expenses	(272,288)	(25,574)
<b>Profit after tax</b>	<b>635,339</b>	<b>59,408</b>
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Basic and diluted earnings per share (kobo)	8.11	0.72

**CONDENSED INTERIM STATEMENT OF OTHER  
COMPREHENSIVE INCOME**

For the nine months period ended 30<sup>th</sup> September


	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>Profit/(Loss) for the period</b>	<b>635,339</b>	<b>59,408</b>
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income for the period</b>	<b>635,339</b>	<b>59,408</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**For the nine months period ended 30<sup>th</sup> September, 2021

	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>ASSETS</b>		
Property, plant and equipment	8,700,337	8,798,638
Intangible Asset and Goodwill	0	0
Deferred tax assets	762,541	762,541
<b>Non-current assets</b>	<b>9,462,878</b>	<b>9,561,179</b>
Inventories	1,052,585	725,449
Trade and other receivables	278,558	52,063
Prepayments	23,658	4,595
Cash and cash equivalents	2,269,777	1,025,231
<b>Current assets</b>	<b>3,624,578</b>	<b>1,807,338</b>
<b>Total assets</b>	<b>13,087,456</b>	<b>11,368,517</b>
<b>EQUITY</b>		
Share capital	3,914,748	3,914,748
Share premium	519,100	519,100
Other Reserves	3,701,612	3,701,612
Accumulated losses/gains	544,506	(92,466)
<b>Total Equity</b>	<b>8,679,966</b>	<b>8,042,994</b>
<b>LIABILITIES</b>		
Employee benefits	576,266	587,617
Lease Liability	477,684	486,249
<b>Non-current liabilities</b>	<b>1,067,401</b>	<b>1,073,866</b>
Current tax liabilities	226,091	21,658
Lease Liability	69,928	71,182
Trade and other payables	2,553,346	1,897,562
Provision	488,755	261,255
<b>Current liabilities</b>	<b>3,340,089</b>	<b>2,251,657</b>
<b>Total liabilities</b>	<b>4,407,490</b>	<b>3,325,523</b>
<b>Total equity and liabilities</b>	<b>13,087,456</b>	<b>11,368,517</b>

Approved by the Board of Directors in October 28, 2021 and signed on its behalf by:

 \_\_\_\_\_ Dr Elijah Akpan (Chairman) FRC/2017/IODN/00000016127

 \_\_\_\_\_ Georgios Polymenakos (Managing Director) FRC/2021/003/00000023702

Additionally certified by:

 \_\_\_\_\_ Nkechi Ojeyokan (Chief Finance Officer) FRC/2021/001/ICAN/00000022533

**Condensed interim statement of changes in equity**For the nine-months period ended 30<sup>th</sup> September, 2021

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
<b>Balance at 1<sup>st</sup> January 2021</b>	<b>3,914,748</b>	<b>519,100</b>	<b>(92,466)</b>	<b>3,701,612</b>	<b>8,042,994</b>
Profit/(Loss) for the period	-	-	635,339	-	635,339
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>635,339</b>	<b>-</b>	<b>635,339</b>
<b>Balance as at 30<sup>th</sup> September, 2021</b>	<b>3,914,748</b>	<b>519,100</b>	<b>542,878</b>	<b>3,701,612</b>	<b>8,678,338</b>

**Condensed interim statement of changes in equity**For the nine-months period ended 30<sup>th</sup> September 2020

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
<b>Balance at 1<sup>st</sup> January 2020</b>	<b>3,914,748</b>	<b>519,100</b>	<b>(103,664)</b>	<b>3,701,612</b>	<b>8,031,796</b>
Profit/(Loss) for the period	-	-	158,793	-	158,793
Other comprehensive income for the period	-	-	-	-	-
			(147,595)		(147,595)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>11,198</b>	<b>-</b>	<b>11,198</b>
<b>Balance as at 30<sup>th</sup> September, 2020</b>	<b>3,914,748</b>	<b>519,100</b>	<b>(92,466)</b>	<b>3,701,612</b>	<b>8,042,994</b>

The notes on pages 7 to 9 are an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF CASH FLOWS**For the nine-months period ended 30<sup>th</sup> September

	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	635,339	158,793
Adjustments for:		
Depreciation	864,767	1,047,423
Amortization (Intangible assets)	0.00	-
Finance income	0.00	-
Interest expenses	(46,042)	-
Income tax expense	45,768	-
Tax Provision	272,288	464,211
	0.00	-
	<b>1,772,120</b>	<b>1,670,427</b>
Changes in:		
Inventories	(327,136)	(22,640)
Trade and other receivables	(226,495)	868,843
Prepayments	(19,063)	(1,075)
Trade and other payables	1,077,464	(423,521)
Employee Benefits	(11,351)	(115,970)
<b>Cash generated from operating activities</b>	<b>2,265,539</b>	<b>1,976,064</b>
VAT paid*	(154,985)	-
Income Tax Paid	(41,077)	-
PAYE and WHT	(156,316)	-
<b>Net cash from operating activities</b>	<b>1,913,162</b>	<b>1,976,064</b>
<b>Cash flows from investing activities</b>		
Finance income	46,042	-
Acquisition of property, plant and equipment	(654,409)	(1,620,959)
<b>Net cash used in investing activities</b>	<b>(608,367)</b>	<b>(1,620,959)</b>
<b>Cash flows from financing activities</b>		
Payment of Lease liabilities	(60,249)	(31,826)
<b>Net cash used in financing activities</b>	<b>(60,249)</b>	<b>(31,826)</b>
Net (decrease)/increase in cash and cash equivalents	1,244,546	323,279
<b>Cash and cash equivalents at 1<sup>st</sup> January</b>	<b>1,025,231</b>	<b>701,952</b>
<b>Cash and cash equivalents at 30<sup>th</sup> September</b>	<b>2,269,777</b>	<b>1,025,231</b>

The notes on pages 7 to 9 are an integral part of these financial statements.

Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables.

## Notes to the condensed interim financial statements

### 1. REPORTING ENTITY

Champion Breweries Plc ('the Company'), was incorporated in Nigeria as a limited liability Company on 31 July 1974 and was later converted to a public limited liability Company on 1 September 1992. The address of the Company's registered office is Industrial layout, Aka Uffot, Uyo, Akwa Ibom State, Nigeria. The Company is involved in the brewing and marketing of Champion lager beer and Champ Malta. The company also provides contract brewing and packaging services to Nigerian Breweries Plc, a related party within the Heineken group.

The financial statements of Champion Breweries Plc as at and for the year ended 31<sup>st</sup> December 2020 are available upon request from the Company's registered website [www.championbreweries.com](http://www.championbreweries.com)

### 2. BASIS OF PREPARATION

#### a. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Champion Breweries Plc as at and for the year ended 31<sup>st</sup> December 2020.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on October 28, 2021.

#### b. Functional and presentation currency

These condensed interim financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated.

#### c. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimate and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31<sup>st</sup> December 2020.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a. General

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31<sup>st</sup> December 2020.

#### b. Income tax

Income tax expenses are recognised based on management's best estimate of the weighted average expected full year income tax rate.

### 4. SEASONALITY

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are depended on the performance in the peak-selling

season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

## 5. ANALYSIS OF EXPENSES BY NATURE

For the nine-months period ended 30<sup>th</sup> September:

	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
Raw materials & consumables	2,070,762	1,322,287
Advertising & sales expenses	583,018	658,843
Depreciation	836,853	750,597
Employee Benefits	1,046,751	958,158
Repairs & maintenance	431,877	370,480
Royalty & Technical fee		99,843
Energy & water	518,477	456,273
Other fixed expenses	400,790	248,664
<b>Total cost of sales, selling and distribution and administrative expenses</b>	<b>6,467,631</b>	<b>4,865,032</b>

## 6. INTEREST INCOME

### a. Finance Income

Interest income for the nine month period ended 30<sup>th</sup> September 2021 amounted to N15,694,315.87 (Nine month period ended 30<sup>th</sup> September 2020: Nil)

## 7. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the nine-months period ended 30<sup>th</sup> September 2021 was 30 per cent (for the nine-months period ended 30<sup>th</sup> September 2021: 30 per cent).

## 8. PROPERTY PLANT AND EQUIPMENT

### Acquisitions

During the nine-months period ended 30<sup>th</sup> September 2021 the Company acquired, property, plant and equipment with a cost of N858million (nine-months period ended 30<sup>th</sup> September 2020: N796million).

### Capital commitments

As at 30<sup>th</sup> September 2021, the Company's capital expenditure commitments for property, plant and equipment amounted to N1.680billion (30<sup>th</sup> September 2020: N1.043billion).

## 9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at end for the year ended 31<sup>st</sup> December 2020.

## 10. CONTINGENCIES

No material updates in comparison with 2020 year-end reporting were identified that need to be reported.

## 11. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first nine-months period ended 30<sup>th</sup> September 2021 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31<sup>st</sup> December 2020.

## 12. SUBSEQUENT EVENTS

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30<sup>th</sup> September 2021 that have not been adequately provided for or disclosed in these condensed interim financial statements.

## 12. SECURITIES TRADING

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Champion Breweries Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.